

MEMORANDUM

Engineering Department



To: Mike McNeely, City Engineer

Through: Steve Erickson, Acting Design & Construction Engineer

From: Joe Ezeokeke, Acting Associate Engineer *JE*

Subject: Cathodic Protection System Repairs, Project No. 7050 - Relieve apparent low bidder of its bid and award to the next lowest bidder

Date: May 20, 2003

The Cathodic Protection System Repair project was advertised and sealed bids were received on May 13, 2003. The Engineers estimate for the work was \$1,129,644. The apparent low bidder was Corpro Companies, Inc. (Corpro), with a bid amount of \$937,360. On May 14, and 16 2003 Corpro submitted a written request to withdraw their bid. Corpro stated they had made a clerical error in their bid by not including the cost for trench de-watering, and this significantly impacted their bid items. The documentation submitted by Corpro indicates their error amounted to \$143,349. We have reviewed Corpro's request with Assistant City Attorney Patrick Whitnell, and have determined that Corpro met the elements of Public Contract Code Section 5103 as required for bid withdrawal. These elements are:

1. That a mistake was made.
2. That the bidder gave the public entity written notice within five (5) days after opening of bids, of the mistake specifying in the notice, in detail how the mistake occurred.
3. That the mistake made the bid materially different than the bidder intended it to be.
4. That the mistake was made in filling out the bid and not due to error in judgement or to carelessness in inspecting the site of the work or in reading the plans or specification.

Therefore, it is recommended that Corpro Companies, Inc. be relieved of its bid.

The project can either be awarded to the next responsible bidder, or it can be re-advertised for new bids. Staff recommends that the bid be awarded to the next responsible, responsive bidder (Ranger Pipelines) in the amount of \$1,130,550. The reasons for the recommendation are:

1. If the project were readvertised, additional funding would be required for the bidding advertising, printing, and administration costs, which would amount to several thousand dollars.
2. Much of the project work is within other agency rights of way including the Santa Clara Valley Water District, and Caltrans. The City has received permits for the work in these rights of way and readvertising the project could jeopardize the permit deadlines.
3. Readvertising the project will not guarantee better bid prices.
4. The current bids are very reasonable. Upon review of the bids received (see spreadsheet attached) the three bids are all very close indicating there reasonableness. In comparison with the Engineers estimate (\$1,129,644), the Ranger bid is only \$906 dollars (0.08%) higher than the estimate indicating a fair price.

CC: City Manager, City Attorney, Assistant City Attorney Whitnell,
Project File 7050.2 - Staff Memo

**CITY OF MILPITAS
ENGINEERING DIVISION
BID SUMMARY**

JOB TITLE: Cathodic Protection System Repairs													
PROJECT NO: 7050													
Bid Date: May 13, 2003													
		Quantity	Unit		Engineers Estimate	Corpro Companies Inc.		Ranger Pipelines		American Construction & Supply		Preston Pipelines	
ITEM NO.	DESCRIPTION					Unit	Quantity	Unit	Quantity	Unit	Quantity	Unit	Quantity
1	Mobilization	1	LS	\$22,194.00	\$22,194.00		\$50,667.00		\$10,000.00		\$100,327.00		\$30,000.00
2	Traffic Control	1	LS	\$35,000.00	\$35,000.00		\$16,667.00		\$10,000.00		\$69,240.00		\$35,700.00
Section E-04	Testing Existing Insulating Flange Efficiency in Open Trench	6	EA	\$200.00	\$1,200.00		\$300.00		\$3,500.00		\$252.00		\$4,200.00
Section E-11	Isolation Testing Using Existing Testing Leads	2	EA	\$150.00	\$300.00		\$100.00		\$200.00		\$252.00		\$504.00
Section E-11	Furnish and Install New 6-inch Insulating Flange in Open Trench	1	EA	\$1,700.00	\$1,700.00		\$2,333.00		\$5,000.00		\$818.00		\$2,400.00
Section E-11	Furnish and Install New 12-inch Insulating Flange in Open Trench	1	EA	\$1,800.00	\$1,800.00		\$2,933.00		\$5,100.00		\$1,171.00		\$3,100.00
Section E-11	Furnish and Install New 16-inch Insulating Flange in Open Trench	1	EA	\$1,800.00	\$1,800.00		\$3,200.00		\$5,200.00		\$1,524.00		\$4,200.00
Section E-11	Furnish and Install New 18-inch Insulating Flange in Open Trench	1	EA	\$1,850.00	\$1,850.00		\$3,500.00		\$5,300.00		\$2,060.00		\$4,800.00
Section E-11	Joint Bonding, Including Excavation up to 8 feet deep	20	EA	\$2,810.00	\$56,200.00		\$3,500.00		\$70,000.00		\$5,000.00		\$100,000.00
Section E-11	Joint Bonding Including Excavation between 8 and 20 feet deep	10	EA	\$4,510.00	\$45,100.00		\$9,000.00		\$7,000.00		\$5,444.00		\$4,000.00
Section E-11	Continuity Testing of 1,000 feet (or fraction thereof) of Piping	56	1000 FT	\$300.00	\$16,800.00		\$490.00		\$39,200.00		\$623.00		\$35,224.00
Section E-11	Installation of New Flush Mounted Test Station Including Excavation up to 8 feet deep Installation or new flush mounted test station	64	EA	\$3,000.00	\$192,000.00		\$2,800.00		\$4,500.00		\$288,000.00		\$300,800.00
Section E-11	Station Including Excavation between 8 and 20 feet	6	EA	\$5,800.00	\$34,800.00		\$3,200.00		\$9,000.00		\$5,037.00		\$30,222.00
Section E-11	Installation of New Post Mounted Test Station Including Excavation to 6 feet deep Installation or new post mounted test station	2	EA	\$3,000.00	\$6,000.00		\$2,650.00		\$4,500.00		\$9,000.00		\$1,697.00
Section E-11	Including Excavation between 8 and 20 feet deep	9	EA	\$5,800.00	\$52,200.00		\$12,000.00		\$8,000.00		\$72,000.00		\$1,815.00
Section E-11	Test Board Replacement In Existing Test Station	66	EA	\$150.00	\$9,900.00		\$120.00		\$7,920.00		\$200.00		\$13,200.00
Section E-11	Furnish and install 32-pound high potential Magnesium Anode including Drilling to 10 feet deep	123	EA	\$1,500.00	\$184,500.00		\$640.00		\$78,720.00		\$900.00		\$110,700.00
Section E-11	Furnish and install 60-pound High Potential Magnesium including Drilling to 10 feet deep	107	EA	\$1,680.00	\$171,200.00		\$740.00		\$79,180.00		\$1,000.00		\$107,000.00
Section E-11	Furnishing and Installation of 45-pound Zinc including Drilling to 10 feet deep	183	EA	\$1,500.00	\$274,500.00		\$660.00		\$120,780.00		\$950.00		\$173,850.00
Section E-11	Reland Installation	27	EA	\$0.00	\$0.00		\$420.00		\$11,340.00		\$300.00		\$8,100.00
Section E-11	Abandonment of Test Station	2	EA	\$300.00	\$600.00		\$340.00		\$680.00		\$100.00		\$200.00
Section E-11	System Check out	1	LS	\$20,000.00	\$20,000.00		\$23,500.00		\$23,500.00		\$10,250.00		\$10,250.00
	Total				\$1,129,644.00		\$937,360.00		\$1,130,550.00		\$1,194,628.00		\$1,221,515.00
							Lowest Bidder						

Prepared By: T. Boez